

MELANIE D. MORGAN, ESQ.
Nevada Bar No. 8215
VATANA LAY, ESQ.
Nevada Bar No. 12993
AKERMAN LLP
1160 Town Center Drive, Suite 330
Las Vegas, NV 89144
Telephone: (702) 634-5000
Facsimile: (702) 380-8572
Email: melanie.morgan@akerman.com
tenesa.scaturro@akerman.com

Attorneys for Bank of America, N.A.

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

BANK OF AMERICA, N.A.,

Plaintiff,

vs.

EMERALD RIDGE LANDSCAPE
MAINTENANCE ASSOCIATION; SFR
INVESTMENTS POOL 1, LLC; and RED ROCK
FINANCIAL SERVICES, LLC,

Defendants.

Case No.: 2:16-cv-02759-RFB-NJK

**STIPULATION AND ORDER TO STAY
LITIGATION PENDING FINAL
RESOLUTION OF PETITION(S) FOR
WRITS OF CERTIORARI TO UNITED
STATES SUPREME COURT**

SFR INVESTMENTS POOL 1, LLC, a Nevada
limited liability company,

Counter/cross-claimant,

v.

BANK OF AMERICA, N.A.; U.S. BANK
TRUST, N.A., AS TRUSTEE FOR LSF9
MASTER PARTICIPATION TRUST; RONALD
M. RHEES, an individual; CAMELLIA F.
PEEBLES, an individual,

Counter-Defendant.

1 Plaintiff/counter-defendant Bank of America, N.A., Defendant/counter-plaintiff SFR
2 Investments Pool 1, LLC, and Defendant Emerald Ridge Landscape Maintenance Association,
3 Defendant Red Rock Financial Services, LLC, stipulate as follows¹:

4 1. This lawsuit involves quiet title/declaratory relief and other claims related to a non-
5 judicial homeowner's association foreclosure sale conducted pursuant to NRS 116.

6 2. On August 12, 2016, the Ninth Circuit issued its decision on appeal in *Bourne Valley*
7 *Court Tr. v. Wells Fargo Bank, N.A.*, 832 F.3d 1154, 1159–60 (9th Cir. 2016), holding that NRS 116 is
8 facially unconstitutional. The Court of Appeals issued its mandate in the appeal on December 14,
9 2016, vacating and remanding the judgment to the United States District Court, District of Nevada.

10 3. On January 26, 2017, the Nevada Supreme Court issued its decision in *Saticoy Bay*
11 *LLC Series 350 Durango 104 v. Wells Fargo Home Mortgage, a Div. of Wells Fargo Bank, N.A.*, 133
12 Nev. Adv. Op. 5, __ P.3d __, 2017 WL 398426 (Nev. Jan. 26, 2017), holding, in direct contrast to
13 *Bourne Valley*, that no state action supported a challenge under the Due Process Clause of the United
14 States Constitution.

15 4. The parties in *Bourne Valley* and *Saticoy Bay* are seeking review of both decisions in
16 the United States Supreme Court. Bourne Valley filed its petition for writ of certiorari of the Ninth
17 Circuit's *Bourne Valley* decision on April 3, 2017. See *Bourne Valley Court Tr. v. Wells Fargo Bank,*
18 *NA.*, United States Supreme Court Case No. 16A753. Wells Fargo's deadline to file its petition for
19 writ of certiorari of the Nevada Supreme Court's *Saticoy Bay* decision is April 25, 2017. Thus, the
20 parties believe the stay requested herein is appropriate.

21 5. On February 8, 2017, the Nevada Supreme Court stayed the issuance of the remittitur in
22 *Saticoy Bay* pending the filing of a petition for a writ of certiorari with the United States Supreme
23 Court, and if a petition is filed, the stay of the remittitur will remain in effect until final disposition of
24 the certiorari proceedings before the United States Supreme Court.

25 6. Several judges in this district have stayed similar cases pending exhaustion of all
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27 ¹ Defendants Camellia Peebles and Ronald M. Rhees have not appeared.
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1 appeals before the United States Supreme Court. *See e.g., Nationstar Mortg. LLC v. Green Valley S.*
2 *Owners Ass'n*, No. 2:16-cv-00883-GMN-GWF, ECF No. 38 (D. Nev. Oct. 5, 2016); *Bank of America,*
3 *N.A. v. Canyon Willow Trop Owners' Ass'n*, No. 2:16-cv-01327-GMN-VCF, ECF No. 25 (D. Nev.
4 Oct. 26, 2016); *Deutsche Bank Nat'l Tr. Co. v. Copper Sands HOA*, No. 2:16-cv-00763-JAD-CWH,
5 ECF No. 29 (D. Nev. Feb. 28, 2017).

6 7. To determine if a continued stay is appropriate, the Court considers (1) damage from
7 the stay; (2) hardship or inequity that befalls one party more than the other; and (3) the orderly course
8 of justice. *See Dependable Highway Exp., Inc. v. Navigators Ins. Co.*, 498 F.3d 1059, 1066 (9th Cir.
9 2007) (setting forth factors). Here, the factors support a stay of litigation.

10 a. Damage from Stay: Any damage from a temporary stay in this case will be minimal if
11 balanced against the potential fees, costs, and time which would surely ensue in this matter if litigation
12 were allowed to continue that could be mooted by a decision in *Bourne Valley* certiorari proceedings.
13 Indeed, the parties will be enable to avoid the cost and expense of continued legal proceedings in light
14 of what is unsettled law to say the least. Moreover, the Court will be relieved of expending further
15 time and effort until the conflict between the circuit and Nevada Supreme Court is resolved. Thus, a
16 stay will benefit all parties involved herein.

17 b. Hardship or Inequity: There will be no significant hardship or inequity that befalls one
18 party more than the other. This relatively equal balance of equities results from the need for all parties
19 to have finality, given the split in the state and federal court decisions. The parties agree that any
20 hardship or inequity falling on any of them is outweighed by the benefits of a stay.

21 c. Orderly Course of Justice: At the center of this case is a homeowners' association's
22 foreclosure sale under NRS 116. The outcome of the petitions for writ in *Bourne Valley* and/or
23 *Saticoy Bay* have the potential to affirm or overturn either case. Without a stay, the parties will
24 expend resources that will be unnecessary if either or both petitions are granted. A stay would also
25 avoid a likely appeal from any subsequent judgment in this case. A temporary stay would
26 substantially promote the orderly course of justice in this case. A stay will avoid the moving forward
27 without final resolution of the federal issues and the state court/federal court conflict.

1 8. The parties agree that all proceedings in the instant case, including responses to any
2 outstanding discovery and other litigation deadlines, are stayed pending final resolution of the *Bourne*
3 *Valley* and/or *Saticoy Bay* certiorari proceedings before the United States Supreme Court.

4 9. Any party may file a written motion to lift stay at any time if such party determines it
5 appropriate.

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Once the stay is lifted, the parties agree they will submit a new proposed scheduling order addressing any currently unexpired deadlines.

DATED this April 11, 2017.

AKERMAN LLP

KOCH & SCOW LLC

/s/ Vatana Lay

MELANIE D. MORGAN, ESQ.

Nevada Bar No. 8215

VATANA LAY, ESQ.

Nevada Bar No. 12993

1160 Town Center Drive, Suite 330

Las Vegas, Nevada 89144

Attorneys for Bank of America, N.A.

/s/ Steve B. Scow

STEVE B. SCOW, ESQ.

Nevada Bar No. 9906

BRODY R. WIGHT, ESQ.

Nevada Bar No. 13615

DAVID R. KOCH, ESQ.

Nevada Bar No. 8830

11500 S. Eastern Ave., Suite. 210

Henderson, Nevada 89052

Attorney for Red Rock Financial Services, LLC

KIM GILBERT EBRON

HALL JAFFE & CLAYTON, LLP

/s/ Diana Cline Ebron

DIANA CLINE EBRON, ESQ.

Nevada Bar No. 10580

7625 Dean Martin Drive, Suite 110

Las Vegas, Nevada 89139

Attorney for SFR Investments Pool 1, LLC

/s/ Ashlie Surur

ASHLIE SURUR, ESQ.

Nevada Bar No. 11290

7425 Peak Drive

Las Vegas, NV 89128

Attorney for Emerald Ridge Landscape Maintenance Association

ORDER

IT IS SO ORDERED.



UNITED STATES DISTRICT JUDGE

DATED: April 12, 2017